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TAGS: [PGOV](#) [PINR](#) [PHUM](#) [PE](#)  
SUBJECT: BOLIVIA AND VENEZUELA PERPLEX, VEX GOP

Classified By: Polcouns Alexander Margulies for Reasons 1.4 (c,d)

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Summary:  
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11. (C) According to Foreign Ministry South American Affairs  
Director Milagros Castagnon:

-- the Government of Bolivia has asked the GOP for 40 experts  
to provide technical assistance with Bolivia's hydrocarbons  
nationalization;

-- Venezuela refuses to acknowledge the seriousness of Peru's  
withdrawal of its Ambassador in Caracas, which adds to a long  
list of provocations that will lead to further blowups;

-- Venezuela has attempted to project a medical mission  
into Peru with the assistance of Peruvian Congress member and  
ex-Socialist Party presidential candidate Javier Diaz  
Canseco. End Summary.

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Bolivians ask GOP for Help on Hydrocarbons  
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12. (C) Castagnon, in a 5/6 meeting with Poloff, said that  
the Peruvian Foreign Ministry had just received a note from  
the GOB asking that the GOP identify 40 experts that it could  
send to Bolivia. These experts were supposed to be well  
versed in a range of issues related to hydrocarbons  
industries, including taxation, legislation, financial  
auditing and the extra payments that companies make to  
governments. The Bolivians requested that the Peruvian  
experts spend approximately 40 days in Bolivia. For their  
labor, the Peruvians would receive per diem and a place to  
stay, but no salary.

13. (C) Castagnon expressed astonishment at the Bolivian  
request. She noted the oddness of the appeal when  
Peru-Bolivian relations are experiencing some tension over  
the losses that some Peruvian companies could experience with  
Bolivia's gas nationalization. More important, Castagnon  
thought the Bolivians' request revealed a certain desperation  
on their part. If Morales' government had done a good job  
planning the nationalization, "then why are they asking for  
help?" she asked.

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Tensions with Venezuela  
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¶4. (C) Castagnon criticized the Venezuelan response to Peru's withdrawal of its Ambassador from Caracas. In response to the Peruvians' move, which was clearly a diplomatic protest, the Venezuelans sent the Peruvian Foreign Ministry a letter stating that their Ambassador "would be traveling to Caracas," a response that completely ignored the seriousness of the Peruvians' initial step. Castagnon interpreted this as having two meanings: 1) the Venezuelans were simply not acknowledging the diplomatic tensions between the two countries, and 2) the Venezuelans wanted to get their Ambassador out of the country before the Peruvians had him named persona non grata.

¶5. (C) Castagnon then launched into a detailed rendition of recent Venezuelan and Bolivian shenanigans in Peru. She cited the Venezuelans' aggressive attempts to send an airplane to Peru to bring Peruvians back to Venezuela for free eye treatment, an enterprise known as Operacion Milagros ("Operation Miracle"). Back in March, a chartered Venezuelan plane landed in Tacna and took about 90 Peruvians to Venezuela for treatment. They were returned later in the month. Milagros said the plane's arrival was secretly filmed by Peruvian Intelligence, and that the plane was met on the ground by the Venezuelan Ambassador (who was sporting a red, pro-Chavez t-shirt), the Venezuelan DCM, Virly Torres, and a group of persons brandishing pro-Chavez posters. After this incident, the Peruvians sent the Venezuelans a diplomatic note saying that they did not wish the services of Operation Milagros.

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Costs, Local Cooperation Detailed  
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¶6. (C) Castagnon noted the costs of Operation Milagros were likely astronomical, since the entire enterprise required chartering buses to bring sick Peruvians to Tacna from far away spots like Cusco and Arequipa, a plane charter, and the transfer of persons to Caracas for treatment. Castagnon stated that Socialist Congress member Javier Diaz Canseco had arranged ground coordination and travel for the Peruvian patients who were flown to Venezuela. She also noted that the Peruvian patients got little post-operative care, and were flown back to Peru with stitches still healing around their eyes. Nonetheless, most felt grateful for the free medical services they had received.

¶7. (C) In the wake of Peru's protest, Castagnon listed the Venezuelans' subsequent provocations, which involved ignoring the Peruvians' protest. She said that recently the Bolivian Ministry of Health had contacted the Ministry of Health in Lima about arranging for Peruvians from Puno to come to Bolivia for free medical treatment. The Peruvian Health Ministry contacted the Foreign Ministry, which informed them that it had approved no such arrangement. Castagnon also reported that the Peruvian Foreign Ministry shut down another attempted Venezuelan operation to "aid" victims of the recent volcano eruption in Moquegua by evacuating the Peruvians so displaced to Venezuela. When confronted with this, the Venezuelan Ambassador reportedly justified his arrangements by telling the Peruvians that he had checked things out with the Moquegua Regional President.

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Venezuela's Embassy in Lima: A House Divided  
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¶8. (C) Castagnon noted that the Venezuelan Ambassador's departure left his second in command, Virly Torres, in charge. She described Torres as a fervent Chavista who inevitably "will slip up" and cross diplomatic lines in a fatal manner. Castagnon was certain that the GOV's Embassy is providing financing for the campaign of presidential candidate Ollanta Humala, though she did not say how. She stated that professional Venezuelan diplomat Maria Antonia Silva was "the only one we can talk to over there (at the Venezuelan Embassy)," that the latter was shocked by her

colleagues' behavior but could do nothing about it since she was herself completely sidelined.

¶9. (C) In conclusion, Castagnon predicted that Peruvian President Toledo and Venezuelan President Chavez were headed for another showdown at the EU-Latin American meeting in Vienna on May 12.

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Comment:  
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¶10. (C) Castagnon is militantly anti-Chavez and anti-Humala, and her views may not/not be completely shared at higher levels in the Foreign Ministry. While the Peruvians are growing extremely annoyed with the Venezuelans' provocations, regional solidarity and the Peruvians' own penchant for avoiding confrontation whenever possible will probably mute Peruvian reactions for now.

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